EXHIBIT 5

BUSINESS

A new Corvette puts a target on Ferrari's back

Wheels

BY LAWRENCE ULRICH

From its dream-car debut in 1953 at the Motorama show at the Waldorf Astoria hotel in New York, the Chevrolet Corvette has kept its engine up front, where sports-car tradition says it

But with the sales of many fast, fun cars on the wane — blame the rise of dully practical S.U.V.s, an aging boomer audience or a declining car culture — the Corvette's creators saw the need for a radical about-face. The 2020 Corvette Stingray has moved its engine behind the driver and passenger, adopting the physics-approved layout that brought Ferdinand Porsche his first racing successes in the 1930s. Today, this approach is associated with money-torching supercars from Ferrari, Lamborghini and McLaren.

The long-awaited "midengine" Corvette easily outruns its formidable predecessor, as I learned during a time-warping desert drive near Tortilla Flat, Ariz. The eighth-generation "C8" Corvette is earning rapturous reviews and dominating industry awards, as a car that can take on European exotics that cost \$200,000 and more, but at a \$59,995 base price that reads like a misprint.

"Ît's certainly a great moment in the car business," said Eddie Alterman, chief brand officer for Hearst Autos and a former editor in chief of Car and Driver. "It's nothing less than the democratization of the supercar."

At General Motors, that democratization includes a virtual decree that Chevy's relatively blue-collar baby generate vastly more sales than, say, its Porsche 911 nemesis, enough to earn its keep in profits. Yet sales of sports cars and muscle cars have plunged by nearly half since 2000, on track for just 230,000 this year, according to analysts at Motor Intelligence. A reborn Toyota Supra, despite huge fanfare, has found a lukewarm 500 buvers a month since its summer debut, fewer than one-quarter of the expected 25,000 to 30,000 first-year sales of the Corvette.

At Porsche, a single sport utility vehicle, the Macan, finds more buyers than all the brand's sports cars and Panamera sedans combined. Unsurprisingly, the world's speed merchants, including Lamborghini, Bentley and Jaguar, have developed S.U.V.s into their best-sellers around the world, with entries from Aston Martin and Ferrari on the way. Some of those companies had vowed never to sully their names with a sport utility. Never

Into this minefield steps Tadge Juechter. As just the fourth chief engineer in the Corvette's fabled 67-year history, Mr. Juechter holds one of the



The 2020 Chevrolet Corvette coupe can hit 60 miles an hour in a mere 2.8 seconds. Its midengine V8 is provocatively exposed below a glass cover like the Ferrari 488 GTB.

most scrutinized positions in the American industry, his every utterance parsed for clues to the 'Vette's future.

The Corvette of the previous generation, the first to wear the Stingray badge since 1968, also generated robust sales beginning in 2014. Yet Mr. Juechter and his team saw a car nearing its end, both in technical terms and its ability to win new buyers.

"We saw an aging demographic, the same faces at Corvette events year after year," he said.

That honking, 6.2-liter V8 up front had become an Achilles' heel. The Corvette's top-shelf, \$121,000 ZR1 edition was already pumping out 755 horsepower, keeping pace in an unprecedented industry horsepower war. Moving the engine aftward — shifting critical weight over driven rear wheels — became the only way to apply such monstrous force to the pavement while improving traction and stability.

The move risked alienating the Corvette's tradition-loving buyer base. At a design clinic for owners of various sports cars, Mr. Juechter discovered

that current customers were split roughly 50-50 on the midengine switch. But among supercar owners that Chevy hoped to conquer, 90 percent

"We had to go for it," Mr. Juechter said. "We did it purely for physics rules, but the byproduct was that it would also appeal to a new generation. We try to respect the past, but not be stuck in the past."

G.M. had teased the faithful for decades, experimenting with a midmounted layout in a series of fanciful prototypes, beginning with the CERV 1 (for Chevrolet Engineering Research Vehicle) in 1959. Finally, for the 2020 model year, the near-mythical midengine Corvette is here, including the coupe's Ferrari-esque view of its V8, provocatively exposed below a glass

The public's first glimpse of the car, in April, supported the Corvette engineering team's confidence. Mr. Juechter drove a prototype, its body work disguised by a black-and-white pattern, through a bustling Times

Square, with Mary Barra, the G.M. chief executive, riding shotgun. Rolling, windows down, Mr. Juechter heard younger voices yelling, "Midengine Corvette!"

"We imprinted on young people a super passion for this car," he said. "Our job is to push that, that every

drive can be a joy, an adventure." It can take on **Dodging Times** the European Square tourists and

exotics that Ubers in a 495sell for horsepower, roughly \$200,000, 190-m.p.h. sports car is one form of advenbut at a base ture. But in my price of just Arizona test, includ-\$59,995. ing roller-coaster desert curves, this new model combined

moonshot acceleration, handling, tech and versatility like no rival remotely near its price. That includes a 2.8second catapult to 60 miles an hour, on a par with a \$250,000 Ferrari 488 GTB; a sharply improved, jet-fighter-inspired cockpit; and a GPS-based video

data system that records street or track drives, overlays them with animated telemetry readouts and lets drivers analyze their performance with racing software.

"It doesn't have the operatic Sturm und Drang of a Ferrari or Lamborghini, but it really is an everyday supercar," Mr. Alterman said.

Fuel economy is surprisingly decent, roughly 26 to 28 miles per gallon at a steady highway cruise. The Corvette is notably aerodynamic, and can deactivate half its cylinders to save fuel. The latest driver-adjustable magnetic suspension, a G.M.-first technology now adopted by several European exotics, lets the 'Vette drive as smoothly as some luxury cars in its Touring mode, despite the sleepingbear V8 just over your shoulder.

"It couldn't be just a weekend toy," Mr. Juechter said. "A lot of people use this as their only car."

Perhaps because do-it-all S.U.V.s are strong-arming sales — and definitely because today's fans won't put up with punishing rides or poor reliability

the worldwide trend is all about more practical sports cars that are safe and approachable for amateurs, yet still rewarding for skilled pilots.

Many midengine exotics lack a trunk, because the engine hogs the space. Yet Corvette designers made room for a trunk that can fit two golf bags, in addition to the Porsche-style "frunk" up front where the engine used to go.

Even the carefree convertible model doesn't neglect its chores, with an ingenious powered soft top that tucks away without stealing an inch of luggage space. Welcome practicality does bring a visual downside: The wide, chunky rear deck makes the 'Vette a bit back heavy.

Proper fits aside, wishful fans didn't find a little red-ribboned Corvette under their Christmas tree: A nowsettled G.M. strike has delayed production until February. For Chevy's pampered halo car, only about 12 units each hour will roll off the production line in Bowling Green, Ky., down the road from the National Corvette Museum.

In anticipation of huge demand, more than 400 workers have been hired to fill a second daily shift, including employees laid off from Chevy's closed plant in Lordstown, Ohio. (G.M. plans to open a new battery plant there, part of a \$2.3 billion joint venture with LG Chem of South Korea.)

Mr. Juechter is confident that Chevrolet can sell every Corvette it can build, for now. The real test comes after the initial frenzy subsides. Mr. Alterman points to an increasingly short, roughly 18-month shelf life for such high-profile performers, with fickle buyers and collectors always in pursuit of the hot new thing. He sees the Corvette borrowing from Porsche's ultraprofitable playbook, keeping the lineup fresh with myriad styles, performance upgrades and personalization options.

The dominance of S.U.V.s and the momentous shift to electrics has automakers playing offense. Aside from an industry explosion of superpowered sport utilities, Ford ignited a controversy when it unveiled a Tesla-baiting electric S.U.V. and called it the Mustang Mach E. The traditional Mustang is enjoying its own golden age of performance, including a bonkers Shelby GT500 with 760 horsepower and an affordable four-cylinder model that gets 32 m.p.g. on the highway. Yet Mustang sales continue to tumble.

And while traditionalists are crying foul over the Mustang Mach ${\bf E}$ — first S.U.V.s stole customers, now they're stealing legendary names - Mr. Alterman suggests that this heresy won't be the last. A five-seat, Corvette-branded S.U.V. could be the most "everyday supercar" of all.

"You've got that sub-brand of the Mustang that's so evocative," he said, "so why not draw on it? There's an opportunity for Chevy to do the same

Huawei chases 5G deals in E.U.

Hungary, whose far-right prime minister, Viktor Orban, identifies himself as a Trump ally, announced in November that Huawei would lead its 5G infrastructure rollout. Even as government officials have debated its role, Huawei has forged ahead, and says it has already made dozens of deals to sell 5G hardware to wireless carriers across Europe. The extent of its involvement is unclear, because a single carrier can buy gear from multiple vendors, and some pieces of equipment are more securitysensitive than others.

And at a NATO gathering near London this month, when Mr. Trump pressed Prime Minister Boris Johnson to shut Huawei out of Britain, Mr. Johnson — who has postponed a decision on the question — was noncommittal.

Secretary of State Mike Pompeo, in an opinion piece published by Politico Europe, implored policymakers "not to give control of their critical infrastructure to Chinese tech giants.'

To a degree, European policymakers in charge of assessing risks to cybersecurity share the United States' concerns about Huawei. A recent European Union report highlighted, without naming Huawei, that a non-European 5G technology provider could be forced to allow its government to hack into and even control its networks, enabling access to private data, trade secrets and national security operations.

In Germany, Chancellor Angela Merkel has said that Huawei should be allowed to compete for 5G contracts, but other politicians have pushed back, indicating that the company could be in for a

"No Chinese company is an independent company," Norbert Röttgen, a former government minister from Ms. Merkel's party, said recently, adding that Huawei's involvement was "an imminent question of national security."

Yet one German telecommunication company, Telefónica Deutschland, has announced that it intends to contract Huawei for its 5G development.

European Union rules make it difficult to target individual companies for political reasons. The bloc could impose stringent standards of conduct and openness for 5G contractors that could be used to restrict Huawei but, as yet, has simply let each member country de-



innovation and the rule of law and said that "Huawei shares these values."

cide how to proceed.

Distrust toward the Trump administration is also a significant factor, as European policymakers worry that American sanctions on Huawei are simply a bargaining chip in the United States' broader trade war with China and might be reversed.

European policymakers in charge of assessing risks to cybersecurity share the United States' concerns about the tech giant, to a degree.

"There is a fear that if you take what potentially are quite expensive decisions with regards to 5G because the Americans have told you that they are a security problem, and then President Trump gets a trade deal with China and suddenly Huawei is all O.K. again, then you'll feel like the earth has moved under your feet," said Ian Bond, director of foreign policy at the Center for European Reform, a policy group in London.

Years before the advent of 5G, Huawei was establishing a major presence in Europe, where it ranks third in mobile phone sales, behind Samsung and Apple. The company says it has 12,000 employees, and 23 research and development centers in Europe, a way of building favor and familiarity with policymakers.

And it has moved boldly to position it-

self in Brussels. Huawei has spent more than \$3 million this year on advertising and lobbying, according to its disclosures in the European Union lobbying registry. That is more than the combined spending of its European 5G competitors, Ericsson and Nokia, and far more than its American rival, Qualcomm.

In a huge advertising campaign this year, the company plastered banners featuring happy faces at Brussels Airport and in key spots around the city. "Vote for 5G," they read. "#Vote

In a press packet sent to hundreds of journalists there, Huawei argued that

"It is crucial to roll out 5G the European

way, in line with European values." Huawei, it added, was best placed to guarantee those values.

The company also placed advertising in the most insider-focused journalism product in town, Politico Europe's daily "Brussels Playbook, presented by Huawei - Vote for 5G," the subject line of an early-morning email read in late May this year.

Huawei has made donations to at least two major research institutions in Brussels that study European policy. Several other institutions receive funding from the Chinese government.

For Huawei, public records show that the amounts are relatively small, about \$55,000 per organization. But they guarantee that the company is a player in the Brussels policy machinery.

In an interview, Mr. Liu said the company spent money on advertising and lobbying because of "attacks from the U.S. toward Huawei." He said the company was "obliged to talk to the stakeholders in Europe and also the rest of the word, because the U.S. is very powerful the U.S. government is super-power-

"They're trying to murder us," he said.

In many ways, Huawei is using the Brussels playbook of major American technology players like Google, which has pioneered the use of public advertising campaigns in Brussels to influence legislation or regulations. The two companies even share a small, unassuming office building three blocks from the European Commission, where Google occupies three floors and Huawei one.

A review of the European Commission's transparency register shows that Huawei employees met with top officials from the Commission, including commissioners and their top civil servants or members of their cabinets, 46 times in the past five years. The vast majority of those meetings were about 5G, the register shows.

Mr. Liu says his company's continued presence in Europe demonstrates Washington's failure to show any concrete evidence of wrongdoing by Huawei.

"It's not fair on us as a private company to face such a challenge from a superpower," he said. "And for Europe, we appreciate that the European stakeholders take a different approach."

Cashierless operations threaten French way of life, unions say

CASHIERS, FROM PAGE 6

days to increase his earnings but cannot do so because of the labor laws.

Even before the cashiers clocked out, those assigned to help customers scan items were overwhelmed. Marvim Bolina Naubir, another university student, zipped around a bank of selfcheckout stations as shoppers peppered him with questions on how to use them.

"We are two people working eight automatic registers, when there could be six more cashiers," Mr. Naubir, 21, said. "Older workers are especially concerned that machines used Sunday afternoons could stretch to the entire

week, and then they would lose their jobs."

Around 15,000 cashier jobs — almost one-tenth of the total - have disappeared in the past decade in France. While that is nowhere near the hundreds of thousands that unions warned would be shed, job losses are expected to mount as automation increases, said Mathieu Hocquelet, a labor sociologist at the Centre d'Études et de Recherches sur les Qualifications.

"These are precarious jobs, so there will be mass unemployment," he said.

Mélissa Godin contributed reporting

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